

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Union Pacific Railroad Company,  
Keene Water System (0434W), For Authorization  
to Increase Rates and For Interim Rate Relief.

Application 04-11-004  
(Filed November 4, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING  
FOLLOWING EVIDENTIARY HEARING**

The evidentiary hearing in this proceeding was held at the State Office Building in Fresno on Wednesday and Thursday, July 20 and 21, 2005. Those persons appearing included Peter Hanschen, attorney for the applicant; Bridget Beard, protestant; Emilio Huerta, Stonybrook Corporation, protestant; Jason Reiger, Elena Perez, and Peter Liu, CPUC Water Division, protestant. Administrative Law Judge John E. Thorson conducted the hearing, which was transcribed.

The following persons were sworn as witnesses and testified during the hearing: Michael Lyon, Rich Robinson, Elena Perez, Emilio Huerta, and Bridget Beard.

**Exhibits**

The exhibits marked and admitted into evidence in this proceeding are set forth in Attachment A. The rulings on Exhibits Nos. 209 and 325 through 328 were reserved; these exhibits are now admitted into evidence.

**Post-Hearing Matters**

The following is the schedule for the completion of post-hearing matters (some additional details have been added):

Submission of late-filed Exhibit No. 6 (list of water users)  Parties review draft of letter to water users re connections and service	August 5, 2005
Water Division mails letter to water users re connections and service (with response deadline of September 9)	August 15
Simultaneous opening briefs (paper and e-mail service)  Filing of any stipulation re distribution downstream of master meters	September 2
Water users' responses to Water Division letter	September 9
Simultaneous reply briefs (paper and e-mail service)  Water Division files report concerning any communications from water users in response to August 15 letter  Filing of any stipulation re rate design  Submission	September 21

**IT IS SO RULED.**

Dated August 4, 2005, at San Francisco, California.

/s/ JOHN E. THORSON

John E. Thorson  
Administrative Law Judge



**California Public Utilities Commission****Exhibit Index****Pages 1-3****Proceeding No. A.04-11-004 (Keene Water Co.)****Inclusive Dates: July 20 to 21, 2005****ALJ John E. Thorson****Presiding**

<b>EX NO.</b>	<b>PARTY OFFERING</b>	<b>WITNESS</b>	<b>DESCRIPTION</b>	<b>DATE</b>	
				<b>IDENTIFIED</b>	<b>RECEIVED</b>
1	UP/Keene Water	M. Lyon	Direct testimony of Michael Lyon	7/20/05	7/20/05
2	UP/Keene Water	M. Lyon	Rebuttal testimony of Michael Lyon	7/20/05	7/20/05
3	UP/Keene Water	R. Robinson	Direct testimony of Rich Robinson	7/20/05	7/20/05
4	UP/Keene Water	R. Robinson	Joint Comparison Exhibit	7/20/05	7/20/05
5	UP/Keene Water	M. Lyon	Supplemental testimony of Michael Lyon	7/20/05	7/20/05
6	Reserved	To be filed	To be filed: List of water users		
7	UP/Keene Water	Emilio J. Huerta	Faxed Joint Comparison Exhibit	7/21/05	7/21/05
<b>NO INTERVENING EXHIBIT NUMBERS</b>					
100	Water Division	E. Perez	Staff Report on A.04-11-004	7/20/05	7/20/05
101	Water Division	E. Perez	Tariff Schedule App. To Water Service re All Water Utilities	7/20/05	7/20/05
<b>NO INTERVENING EXHIBIT NUMBERS</b>					
200	Stonybrook Corp.	Emilio J. Huerta	UPRC July 27, 1999, Notice of Intent to Cease Operations	7/20/05	7/20/05
201	Stonybrook Corp.	Emilio J. Huerta	SPTC November 22, 1996, Application for Non-Exclusive Franchise	7/20/05	7/21/05
202	Stonybrook Corp.	Emilio J. Huerta	CA DHS Compliance Order 03-12-94O-005	7/20/05	DENIED
203	Stonybrook Corp.	Emilio J. Huerta	Stonybrook Record of Payments to UPRC 2001-2005	7/20/05	7/20/05
204	Stonybrook Corp.	Emilio J. Huerta	WM Lyles September 27, 2003, Tehachapi-Keene Pipeline Construction Budget Estimate	7/20/05	7/20/05
205	Stonybrook Corp.	Emilio J. Huerta	CA DHW Citation No. 03-12-96C-009	7/20/05	DENIED
206	Stonybrook Corp.	Emilio J. Huerta	CA PUC General Order 103	7/20/05	7/20/05
207	Stonybrook Corp.	Emilio J. Huerta	CA PUC Order Denying Rehearing/Decision 02-08-075	7/20/05	OFFICIAL NOTICE
208	Stonybrook Corp.	Emilio J. Huerta	UPRC February 26, 2004, Five Day Notice to Lower Keene Group	7/20/05	7/21/05

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209	Stonybrook Corp.	Emilio J. Huerta	SPTC Production/Consumption/Losses for 1996 & 1997	7/20/05	8/2/05
210	Stonybrook Corp.	Emilio J. Huerta	UPRC 2004 Usage Figures	7/20/05	7/20/05
211	Stonybrook Corp.	Emilio J. Huerta	SPTC Boil Water Notice August 18, 1994	7/20/05	DENIED
212	Stonybrook Corp.	Emilio J. Huerta	SPTC Coliform Bacteria Notice March 1, 1995	7/20/05	DENIED
213	Stonybrook Corp.	Emilio J. Huerta	SPTC Boil Water Notice April 11, 1995	7/20/05	DENIED
214	Stonybrook Corp.	Emilio J. Huerta	SPTC Boil Water Notice May 22, 1995	7/20/05	DENIED
215	Stonybrook Corp.	Emilio J. Huerta	SPTC Letter to Betsi Lichti, February 8, 1996	7/20/05	DENIED
216	Stonybrook Corp.	Emilio J. Huerta	Prepared Testimony	7/20/05	7/20/05
NO INTERVENING EXHIBIT NUMBERS					
300	Bridget Beard	Bridget Beard	Bridget Beard's Protest dated 2/15/05	7/20/05	7/21/05
301	Bridget Beard	Bridget Beard	4/28/00 Declaration of Richard L. HAbberman	7/20/05	DENIED
302	Bridget Beard	Bridget Beard	DHS water standards-maximum chemical levels	7/20/05	7/21/05
303	Bridget Beard	Bridget Beard	8/97 lab test results for Well #1 in Tehachapi	7/20/05	DENIED
304	Bridget Beard	Bridget Beard	DHS lab tests summaries for Wells 2, 3, 4 & blended	7/20/05	DENIED
305	Bridget Beard	Bridget Beard	Kern County Franchise & related CEQA exemption	7/20/05	DENIED
306	Bridget Beard	Bridget Beard	Hydrology report	7/21/05	7/21/05
307	Bridget Beard	Bridget Beard	3/12/01 Brief, PUC Water Branch ORA	7/20/05	DENIED
308	Bridget Beard	Bridget Beard	3/20/01 Reply Brief, PUC Water Branch ORA	7/20/05	DENIED
309	Bridget Beard	Bridget Beard	9/27/03 Estimate to replace pipeline	7/20/05	7/21/05
310	Bridget Beard	Bridget Beard	2003-2005 Mo. Reports of water production & usage	7/20/05	7/21/05
311	Bridget Beard	Bridget Beard	6/6/05 memo re monthly reports	7/20/05	7/21/05
312	Bridget Beard	Bridget Beard	12/8/04 DHS letter to Union Pacific	7/20/05	7/21/05
313	Bridget Beard	Bridget Beard	DHS Citations and Enforcement Letters	7/20/05	7/21/05*
*Ex. 313: Only documents subsequent to April 2002 (date of CPCN) are admitted. However, all attachments to DHS' June 10, 2002, enforcement letter, regardless of date, are admitted.					
314	Bridget Beard	Bridget Beard	DHS water quality summaries	7/20/05	7/21/05
315	Bridget Beard	Bridget Beard	Photos	7/20/05	7/21/05
316	Bridget Beard	Bridget Beard	7/30/02 DHS letter to Union Pacific	7/20/05	7/21/05
317	Bridget Beard	Bridget Beard	11/5/04 DHS memo to file	7/20/05	7/21/05
318	Bridget Beard	Bridget Beard	11/22/00 Report by Eric Matsuka	7/20/05	DENIED
319	Bridget Beard	Bridget Beard	7/1/05 Fax from McMor Chlorination	7/20/05	7/21/05
320	Bridget Beard	Bridget Beard	7/27/99 Notice of Intent to Cease Operation of Water System	7/20/05	7/21/05
321	Bridget Beard	Bridget Beard	9/1/98 DHS memo re MTBE in Well #5	7/20/05	DENIED

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322	Bridget Beard	Bridget Beard	12/6/98 Letter to Union Pacific	7/20/05	WITHDRAWN
323	Bridget Beard	Bridget Beard	9/20/99 Union Pacific Letter to Lower Keene	7/20/05	7/21/05
324	Bridget Beard	Bridget Beard	10/2/96 Letter from Gerald M. Wells	7/20/05	7/21/05
325	Bridget Beard	Bridget Beard	Union Pacific 1 <sup>st</sup> Quarter Results	7/20/05	8/2/05
326	Bridget Beard	Bridget Beard	5/5/05 Union Pacific Press Release	7/20/05	8/2/05
327	Bridget Beard	Bridget Beard	3/30/05 Union Pacific Press Release	7/20/05	8/2/05
328	Bridget Beard	Bridget Beard	Union Pacific 2004 Annual Report	7/21/05	8/2/05
329	Bridget Beard	Bridget Beard	Jar of water sample	7/21/05	7/21/05
330	Bridget Beard	Bridget Beard	Water shortage emergency memo	7/21/05	7/21/05

**(END OF ATTACHMENT A)**

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties for whom an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Following Evidentiary Hearing on all parties of record in this proceeding or their attorneys of record.

Dated August 4, 2005, at San Francisco, California.

/s/ KE HUANG

Ke Huang

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.